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C O N F I D E N T I A L SECTION 01 OF 02 BRUSSELS 000702

SIPDIS

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TREASURY FOR OFAC

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TAGS: PREL PHUM ETTC ENRG FPET EFIN KJUS BM EUN

SUBJECT: BURMA: EU CONSIDERING ADDITIONAL SANCTIONS;
WAITING FOR RESULTS OF ASSK TRIAL

REF: A. 5/18/09 USEU TODAY E-MAIL

¶B. 08 STATE 125635
¶C. 08 BRUSSELS 1884

Classified By: USEU Pol M-C Chris Davis for reasons 1.4 (b) & (d)

¶1. (C) Summary: Outraged over the arrest and trial of Burmese opposition leader Aung San Suu Kyi (ASSK) on the eve of her release, EU Foreign Ministers directed Council and Commission staff on May 18 to begin looking at additional restrictive measures (including new sanctions) that might be taken in the event that ASSK is convicted and re-imprisoned. Measures under consideration will include a new ban on exports of luxury goods to Burma, sanctions on the oil and gas sector, reform of current sanctions along the lines of our recent OFAC/State non-paper, and the possible addition of selected judges to the EU's visa ban list. Member State Asia specialists (COASI) and External Relations Counselors (RELEX) will now consider options in parallel and prepare recommendations for the June GAERC. End Summary.

¶2. (C) The EU's General Affairs and External Relations Council (GAERC) of EU Foreign Ministers met on May 18 and discussed the arrest and trial of Aung San Suu Kyi in Rangoon. According to an institutional source who was present for the discussion, FMs were frustrated at the Burmese regime's transparent attempt to use the unauthorized visit of the American swimmer as a pretext to further extend ASSK's detention. Czech FM Jan Kohout told other ministers that the EU needed to prepare new restrictive measures in case ASSK's detention is extended, specifically suggesting a new ban on the export of luxury goods to Burma. Discussion was animated, with the Commission representative arguing that other measures besides sanctions must be considered, while the UK pushed for strengthening the sanctions program with new measures.

¶3. (C) FMs agreed that relevant EU bodies (COASI and RELEX) should be directed to develop additional restrictive measures (possibly including new sanctions) that could be considered

at the June session of the GAERC. Measures to be considered include a new ban on exports of luxury goods to Burma, sanctions on the oil and gas sector, reform of current sanctions along the lines of our recent OFAC/State non-paper (ref B), and the possible addition of selected judges to the EU's visa ban list.

¶4. (C) At this point, the most likely result of the EU's deliberations would be some combination of a new travel ban on Burmese judges who are complicit in the sentencing of political prisoners, and U.S. ideas from our recent non-paper. According to the UK's COASI rep, the UK looked at the luxury goods ban last year and concluded that it was unworkable and would not send much of a political signal. The UK is generally supportive of new measures in oil and gas, but believes that France would block new measures in that sector, as they have in the past.

¶5. (C) The EU appears to be poised for rapid action. The next step is for Member State reps on the Council's Asia Working Party (COASI) to consider ideas for additional measures in parallel with the group of External Relations Counselors (RELEX), who will work at the same time. We expect COASI will discuss initial ideas this Wednesday at their next meeting. A Commission sanctions expert told us that he hopes COASI will take the lead to avoid upsetting experts on the geographical desks.

¶6. (C) Comment: The EU seems receptive to ideas on how to apply pressure to the regime, and the UK's COASI rep told us that now would be the time for the U.S. to weigh in if we had

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any thoughts. If we believe that the OFAC non-paper we delivered in the fall (ref C) still represents a good set of ideas for the EU to implement, we could remind governments in selected capitals and Brussels that the paper exists as current U.S. policy. Our contacts at the UK Permanent Representation and at the Council General Secretariat both independently suggested this course of action. End comment.
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